Valle's completes liquidation; rebuilding starts

By Peter Romeo

WELLESLEY, Mass. — Valle's Steak House, the family restaurant chain based here, has been forced by creditors to sell all 32 of its stores.

President and new owner Arthur Hanson has purchased two units in partnership with Bob Simmons and one independently, and he has signed a contract to manage a third.

Hanson plans to rebuild the chain by dropping menu prices, making several operational changes and converting half the space of existing stores to a new concept.

"We should have a business in place that does $12 million to $14 million a year," he said.

Valle's had a pretax income of $2.2 million for the fiscal year ended March 31, reflecting the chain's decline following the death of founder Don Valle. With Valle's son, Richard Valle, at the helm, the chain began experimenting with 400-seat, rather than 250-seat, restaurants, and it loosened its grip on menu prices. Food costs rose as high as 39%, and the higher prices prevented the increase in volume needed to fill the larger restaurants, according to vice president of marketing Dan Davis.

In addition, Valle's moved into high-income markets, such as Palm Beach and Altamonte Springs, Fla., where its family-oriented, low-price concept had little appeal.

Unable to pay off a series of revolving loans, Valle's was forced to liquidate. Hanson took advantage of the situation to purchase the almost-defunct company through "a unique leveraged buyout," he said.

In addition to the four units owned or operated by Hanson, the only Valle's doing business under that name is the prototype in Portland, now owned by Don Valle's daughter.

'Hanson plans to rebuild the chain by dropping menu prices and making operational changes.'

Hanson, who served as president of Valle's during the five years before its liquidation, has already begun the turnaround by introducing new menus at his outlets in Springfield, Mass., Kitterly, Me., and Hartford, Conn. In line with Don Valle's original idea, the stores feature a luncheon menu rotated every weekday, with no entrée costing more than $4. At the same time, dinner menu prices were reduced and a line of pies was added.

The menu changes and, in particular, the addition of the luncheon menus streamlined operations.

Furthermore, the Kitterly unit now features a meat-to-go sales counter, where customers can purchase cuts of beef at 20% above Valle's cost plus the unit's average trim percentage. "It keeps our meat costs low because our purchasing power is stonger," commented Hanson.

The changes have already boosted sales by 10% to 15% at the three test outlets, according to Hanson. For instance, he said, the 200-seat Hartford store should take in up to $6 million this year.

To broaden Valle's customer mix beyond its current base of families and the elderly, Hanson plans to introduce a new concept at the Kitterly and Hartford outlets later this year.

S & A plans new seafood concept

By Mark Schoifet

DALLAS — Pillsbury's S&A Restaurant Corp. is planning limited expansion of a new grilled-seafood concept called Bay Street.

S&A, which operates Bennigan's and Steak & Ale, has been testing the concept for the past year at Charley's, a 6,000-sq.-ft. seafood dinnerhouse in the Dallas suburb of Addison. The company purchased Charley's in May 1984 and has been using it as the prototype for Bay Street.

Mike Jenkins, S&A president and chief executive, said the chain would open "a small number" of Bay Street restaurants during the fiscal year beginning June 1. He declined to disclose the sites and emphasized that the concept is still in the research and development stage.

"We think it is an excellent restaurant concept and one that has an awful lot of future in the marketplace," Jenkins said during an interview. "We think the fresh seafood, casual dining segment is one that will grow in the next several years."

Jenkins explained that the menu at Bay Street is still in the testing stages but that it would be similar to the one at Charley's. The average per-person dinner check is expected to be in the $12.50-$13 range, about the same as a typical Steak & Ale ticket.

Charley's, which seats 160 in the dining area, offers a set menu of seafood and shellfish plus a rotating daily list of specials indicated on table tents and a hanging blackboard. A recent Wednesday night menu included brook trout ($8.95), catfish ($9.25), Norwegian salmon ($15.95) and Atlantic swordfish ($16.95). Shellfish included steamed clams ($5.95) and Alaskan king crab legs ($15.95).

Mike Jenkins

Charley's has a casual theme decor. The interior is accented by a bar area featuring a mirrored backdrop with several shelves of liquor stacked to the ceiling. The bar area is illuminated by strips of tiny lights.

Bay Street is the first new concept for S&A since it established its J. J. Muggs gourmet burger division in 1982.

Illegal Cuban shrimp flood U.S. markets

By Ken Rankin

WASHINGTON — Domestic shrimp prices dropped sharply recently in response to a surge of illegal imports from Cuba, U.S. shrimp industry representatives told Federal investigators.

Charging that the price of "top-count shrimp" fell to $6 in March—down 22% from levels earlier this year—officials at the United Shrimpers of America called for immediate Government action to protect the domestic fleet from Cuban "dumping."

In a statement filed with the Federal Trade Commission, the group alleged that the illegal shrimp are being diverted into this country through Mexico, and it promised to supply Government officials with "photographic proof that the Cuban fleet is unloading its shrimp in Mexican ports and receiving American dollars in the American market."

In a separate petition to the Department of Commerce, domestic shrimpers called for a "moritorium" of 90 to 120 days on all shipments of shrimp from Mexico pending a Federal investigation of the group's charges.

"The U.S. shrimp industry at the present time is in a fight for survival, and the immediate future looks grim," the domestic group told the Commerce Department. Although the shrimpers acknowledged that the industry's "problems are many," they said the "most pressing" one "is the importation of foreign shrimp, legal and illegal."

Blaming Federal officials at the National Marine Fisheries for ignoring evidence of illegally diverted Cuban shrimp, the United Shrimpers asked the Government to "stop these illegal loads of shrimp that cross our borders daily."

Although previous Federal probes had found no evidence supporting the group's charges, the domestic shrimpers argued it would be impossible for the Mexican fleet to harvest all the shrimp exported to the United States from that country.

COMMODITIES

Government has strong control over market prices

By Gary S. Friedman

The Reagan Administration remains staunch in its commitment to the concept of free trade. The recent talk with Japan over access to its telecommunications and agricultural markets shows its intention to raise the issue with our allies.

However, the Administration is still saddled with some rather obscure domestic agricultural programs passed during the Depression era, programs that would surprise most Americans if given the proper attention. By now the average citizen is acquainted with the huge amounts of cheese and other dairy products stored in a network of underground holding warehouses. Beyond that, he has little understanding to what degree the Government (and the agricultural producers) are involved in controlling the prices and access to market of most commodities.

The Department of Agriculture regulates more than 48 different markets for fruits, vegetables and "specialty crops" alone. That includes $5.7 billion worth of almonds, oranges, potatoes, kiwis, hops, raisins, prunes, mint oil, walnuts and other commodities to which the average American hardly gives any thought.

Through regulation—most often requested through a coalition of producers—the Government has been able to control the minimum size of limes that may reach a market, the color of kiwis and other factors that do not alter at all the nutritional value of the commodity. All such commodities that fail to meet the selection criteria during the handling process are removed from the primary market. That has created a booming byproduct market that thanks to the creativity of those concerned has put lemons in dishwashing liquid, spurred markets for frozen lime products, etc., and added an estimated 30% to 40% to the price of some commodities in the primary market.

The cost of all of the regulation, with the exception of the cost of the initial hearings, is picked up by an assessment on each commodity passing through the Federal, state or private inspection process. The one who pays the first out-of-pocket expense is the growers' association.

The issue here is not equity or the increased price that wholesalers, restaurants and consumers must pay for commodities. It is simply this: While our trade barriers are certainly more open than those of many of our major trading partners, the concept of free trade is still a hybrid one, reflecting different priorities at different times.

PRICE MOVEMENT AT A GLANCE

Cash Prices	4/17/85	Year Ago
Broilers, dressed "A" N.Y. lb.	$0.5313	$0.5721
Butter, AA Chgo lb.	$1.41½	$1.42¼
Eggs, large white Chgo dz.	$0.56-0.59	$1.06
Flour, HRW, KC cwt.	$9.65	$9.95
Pepper, black, N.Y. lb.	$1.78	$0.96
Pork Bellies, 12-14 lb., Mid-US, lb.	$0.57¼	$0.60
Potatoes, rnd white, 50 lb. f.o.b. Maine	$2.00	$3.37
Sugar, cane, raw, world, lb. f.o.b.	$0.0344	$0.0593

Source: *NRN* Research

FINANCIAL NEWS

Gainers beat losers 5-3, Stock Index up 0.4 pt.

NEW YORK — In a market confused by conflicting economic signals, the 89-issue *Nation's Restaurant News* Food-Service Operators Stock Index managed a 0.4-point gain for the week ended April 19, closing at 120.5.

Price-losing issues outnumbered price-winners, however, by 50 to 34, with 23 unchanged, on the full 107-stock listing.

The Dow Jones Industrials Average in the same week edged up 0.88, to 1,266.56. The Government's estimate of real gross national product growth for the first quarter was cut to a 1.3% rate from 2.1% during the week.

Winners Corp. led both the price-gainers and volume-surgers lists, up $2.50, to $8.38, on trading 437% heavier than the previous 12-week average. Takeover reports circulated, story on Page 2.

In the past 52 weeks the *NRN* Index has climbed from 95, outpacing the Dow rise from 1,158.

Other gainers included Fresher Cooker, up 38¢, to $2. Acapulco Restaurants, up 75¢, to $5.13, a new 52-week high. Good Taco, up 6¢, to 69¢. One Potato Two, up 13¢, to $1.50.

VOLUME TREND LEADERS

Company Name		Volume Trend Change %	Company Name		Volume Trend Change %
Winners Cp	N	437.0	Kapok Cp	A	132.4
Frisch's	A	250.0	SIS Cp	M	120.0
Intl King Tab	M	192.6	Pizza Inn	A	103.5
Old Fashion Fd	M	180.6	Hamburg Hamlet	O	100.0
Am Restaurants	O	160.0	Kelly-Johnston	M	98.1

TOP TEN GAINERS

Company Name		Weekly Price Change %	Company Name		Weekly Price Change %
Winners Cp	N	42.6	Brock Hotel Cp	N	9.1
Fresher Cooker	O	23.1	Allegheny Bev	M	8.7
Acapulco Rests	M	17.1	Esteban Foods	O	5.9
Good Taco	M	10.0	Fuddruckers Inc	M	5.8
1 Potato 2	O	9.1	Wstn Steer	O	5.6

TOP TEN LOSERS

Company Name		Weekly Price Change %	Company Name		Weekly Price Change %
Calibre Cp	M	- 33.3	RAX Restaurants	M	- 7.5
Kelly-Johnston	M	- 27.3	Max Erma's	O	- 7.1
Nankin Express	O	- 11.1	Victoria Stations	M	- 5.7
Flakey Jakes	M	- 10.0	SIS Cp	M	- 5.6
Ritzys G D	M	- 8.3	Garcias Scot	M	- 5.4

Stock Market / Financial Update

Company and Market		4-19-85 Close	Weekly Price Change Amt.	Weekly Price Change Pct.	Weekly Price Range High	Weekly Price Range Low	52-Week Price Range High	52-Week Price Range Low	Weekly Volume Shares Traded Total	Weekly Volume Shares Traded % Out	12-Week Avg. Vol. As % Out	Volume Trend Change	P/E Ratio	Indicated Dividend Rate Amt.	Indicated Dividend Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt.	Latest Quarter Revenue Chg.	Latest Quarter Net Income Amt.	Latest Quarter Net Income Chg.	Latest Quarter E.P.S. Amt.	Latest Quarter E.P.S. Chg.	Year-to-Date Revenue Amt.	Year-to-Date Revenue Chg.	Year-to-Date Net Income Amt.	Year-to-Date Net Income Chg.	Year-to-Date E.P.S. Amt.	Year-to-Date E.P.S. Chg.
-		$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Food-Service Operators																														
A&W Food Svcs	M	5.50	.00	.0	5.50	4.75	7.50	3.50	824	2.31	1.39	66.2	17.2	.00	.0	.....	fiscal	12-84	9.9	20.7	.0	- 100.0	.02	- 60.0	32.0	26.0	1.1	.0	.32	- 20.0
Acapulco Rests	M	5.13	.75	17.1	5.13	4.50	5.13	3.50	207	.83	.61	36.1	17.7	.00	.0	.....	3 mos.	01-85	9.5	13.1	(.1)	NE	(.03)	NE	9.5	13.1	(.1)	NE	(.03)	NE
Am Restaurants	O	3.88	.00	.0	4.13	3.88	6.00	2.38	268	1.17	.45	160.0	29.8	.00	.0		fiscal	01-85	4.5	4.7	.0	- 100.0	.01	- 85.7	18.1	19.9	.3	- 25.0	.13	- 51.9
Assoc Hosts	M	14.13	.75	5.6	14.25	13.38	17.13	10.88	1,587	3.61	2.62	37.8	17.0	.12	.8	.....	3 mos.	12-84	22.5	- 1.3	.7	- 12.5	.16	- 11.1	22.5	- 1.3	.7	- 12.5	.16	- 11.1
Beefsteak Char	A	2.25	.00	.0	2.63	2.25	4.00	1.75	495	.87	.69	26.1	NE	.00	.0	.....	3 mos.	01-85	17.1	- 10.9	(2.5)	NE	(.44)	NE	17.1	- 10.9	(2.5)	NE	(.44)	NE
Benihana Natl	M	20.50	.13	.6	21.13	20.38	21.75	9.63	543	1.87	4.36	- 57.1	22.3	.00	.0	.....	9 mos.	12-84	15.4	220.8	.7	133.3	.23	91.7	39.7	245.2	1.8	157.1	.62	138.5
Bob Evans Farms	M	20.50	.00	.0	20.50	20.25	20.50	14.75	2,282	1.39	1.18	17.8	19.0	.30	1.5	.....	9 mos.	01-85	58.9	14.6	4.7	20.5	.29	20.8	171.0	13.8	13.7	12.3	.84	13.5
Calibre Cp	M	.75	- .38	- 33.3	1.13	0.75	6.50	.63	79	.26	.37	- 29.7	NE	.00	.0	.....	3 mos.	10-84	3.5	9.4	(.7)	NE	(.22)	NE	3.5	9.4	(.7)	NE	(.22)	NE
Caley Food	M	12.25	.63	5.4	12.25	11.50	13.25	7.25	838	1.85	2.87	- 35.5	20.1	.16	1.3		9 mos.	11-84	13.6	32.0	.9	28.6	.19	18.8	38.6	27.4	2.3	43.8	.50	22.0
Capt Crab	M	2.38	- .13	- 5.0	2.50	2.25	5.38	1.38	1,950	1.27	1.93	- 34.2	NE	.00	.0	.....	3 mos.	11-84	1.6	166.7	(.6)	NC	(.04)	NC	1.6	166.7	(.6)	NC	(.04)	NC
Carrols Cp	N	9.50	- .25	- 2.6	9.88	9.50	11.50	7.63	238	.21	.97	- 68.0	12.8	.07	.7	.....	9 mos.	02-85	34.6	19.3	.9	80.0	.12	50.0	109.2	20.7	4.8	41.2	.62	10.7
Chi-Chi's	M	10.13	- .38	- 3.6	10.50	10.13	18.25	10.00	6,591	2.44	3.62	- 32.6	16.1	.00	.0	.....	9 mos.	01-85	51.7	16.2	2.6	- 40.9	.10	- 28.6	149.2	27.3	12.1	- 2.4	.45	- 6.3
Chili's Inc	M	27.25	- .50	- 1.8	27.50	26.75	28.88	12.75	1,284	2.86	2.13	34.3	40.1	.00	.0	.....	6 mos.	12-84	16.0	58.4	1.0	150.0	.20	81.8	31.0	52.7	1.9	137.5	.41	78.3
Churchs Fr Ch	N	18.25	- .31	- 1.7	18.75	18.00	19.25	11.38	3,227	.86	1.66	- 48.2	16.2	.40	2.2		fiscal	12-84	182.4	20.2	14.5	79.0	.38	137.5	533.2	17.3	42.6	34.8	1.13	36.1
Collins Foods	N	21.75	- .50	- 2.2	23.00	21.63	23.00	10.00	1,325	1.01	1.28	- 21.1	16.5	.16	.7	.....	9 mos.	01-85	114.7	17.2	4.0	14.3	.30	15.4	344.6	19.2	13.9	17.8	1.05	15.4
Concept Dev	O	12.50	.25	2.0	13.00	12.50	16.50	5.75	1,351	2.61	1.53	70.6	16.2	.00a	.0	.....	6 mos.	12-84	10.3	8.4	1.0	.0	.21	23.5	20.9	12.4	2.0	5.3	.42	23.5
Consol Profts	M	4.88	.00	.0	5.13	4.75	6.38	4.63	163	.46	.36	27.8	13.9	.08	1.6	.....	3 mos.	12-84	15.2	- 1.9	.3	- 25.0	.10	.0	15.2	- 1.9	.3	- 25.0	.10	.0
Consul Restaurant	M	5.38	.13	2.4	5.38	5.13	13.50	4.50	522	1.15	2.07	- 44.4	NE	.00	.0	.....	9 mos.	02-85	21.0	32.1	(3.3)	- 100.0	(.72)	- 100.0	63.0	32.6	(3.7)	- 100.0	(.82)	- 100.0
Cracker Barrel	M	13.75	- .25	- 1.8	14.50	13.75	23.50	11.75	144	.40	1.12	- 64.3	16.6	.14	1.0	.....	6 mos.	01-85	14.2	19.3	(.2)	- 100.0	(.07)	- 100.0	30.8	18.9	.6	- 33.3	.19	- 44.1
Cucos Inc	O	5.50	- .25	- 4.3	6.00	5.50	5.75	2.75	38	.22	.66	- 66.7	42.3	.00	.0	.....	6 mos.	12-84	1.5	87.5	.1	NC	.04	.0	3.2	113.3	.1	.0	.07	.0
Diversifoods	M	9.63	- .25	- 2.5	9.88	9.50	16.75	8.00	8,273	2.45	6.96	- 64.8	17.8	.34	3.5	.....	fiscal	12-84	133.7	6.8	(3.9)	NE	(.12)	NE	554.4	14.5	18.3	- 10.7	.54	- 11.5
DiLites Of Amer	M	13.38	- .13	- .9	13.50	13.13	15.50	10.88	751	1.49	3.45	- 56.8	NM	.00	.0	.....	9 mos.	12-84	2.8	86.7	.2	100.0	.04	33.3	7.5	70.5	.3	50.0	.09	28.6
Dunkin Donuts	M	29.13	1.25	4.5	29.13	27.75	29.13	19.50	478	1.01	2.54	- 60.2	14.9	.32	1.1	.....	3 mos.	01-85	140.7	589.7	2.6	13.0	.54	17.4	140.7	589.7	2.6	13.0	.54	17.4
El Chico	M	10.13	- .25	- 2.4	10.38	9.88	10.88	7.25	490	1.05	1.68	- 37.5	13.0	.00	.0	.....	9 mos.	02-85	20.6	6.7	.9	.0	.19	- 5.0	61.8	7.1	2.7	.0	.58	- 3.3
El Torito Rest	N	15.13	- .13	- .8	15.38	14.75	15.38	9.63	496	.45	.93	- 51.6	15.6	.00	.0	.....	fiscal	12-84	61.1	13.6	2.1	110.0	.19	35.7	250.1	18.7	11.1	42.3	.97	42.6
Fast Food Oper	O	.69	.00	.0	0.75	0.69	1.63	.63	313	.53	.55	- 3.6	9.8	.00	.0	.....	9 mos.	09-84	2.2	46.7	.1	.0	.01	NC	6.0	33.3	.2	.0	.03	50.0
Flakey Jakes	M	6.75	- .75	- 10.0	7.50	6.50	9.13	5.13	1,752	2.51	2.94	- 14.6	NE	.00	.0	.....	fiscal	12-84	6.0	445.5	(.5)	NE	(.07)	NE	12.6	384.6	(1.2)	NE	(.18)	NE
Fresher Cooker	O	2.00	.38	23.1	2.25	1.63	6.75	1.50	292	1.31	.67	95.5	NE	.00	.0		fiscal	12-84	.9	50.0	(3.3)	NE	(.52)	NE	3.6	50.0	(2.2)	NE	(1.08)	NE
Frisch's	A	20.38	.38	1.9	20.50	20.13	20.88	12.38	276	.63	.18	250.0	17.3	.22	1.1	.....	9 mos.	02-85	27.2	3.0	.4	33.3	.10	25.0	96.8	5.7	3.3	10.0	.76	10.1
Fuddruckers Inc	M	9.13	.50	5.8	9.50	8.63	15.25	8.50	3,671	5.64	4.06	38.2	NC	.00	.0	.....	fiscal	12-84	7.6	204.0	.0	NC	.00	- 100.0	24.5	145.0	.0	- 100.0	.00	- 100.0
Garcias Scot	M	2.19	- .13	- 5.4	2.31	2.06	6.38	1.63	816	1.36	1.70	- 20.0	NE	.00	.0	.....	9 mos.	09-84	12.3	39.8	(.5)	NE	(.08)	NE	42.0	51.6	(.5)	NE	(.08)	NE
Good Taco	M	.69	.06	10.0	0.75	0.63	3.63	.25	129	.43	2.75	- 84.4	NE	.00	.0	.....	9 mos.	11-84	.2	100.0	(.5)	NE	(.20)	NE	1.0	150.0	(1.1)	NE	(.44)	NE
Hamburg Hamlet	O	14.25	.00	.0	15.00	14.25	14.50	9.75	26	.36	.19	100.0	7.7	.00	.0	.....	9 mos.	12-84	9.4	6.8	.3	.0	.39	- 11.4	28.7	9.5	1.1	83.3	1.56	81.4
Hungry Tiger	M	5.25	- .25	- 4.5	5.50	5.00	7.00	3.63	590	2.05	2.24	- 8.5	27.6	.00	.0	.....	3 mos.	11-84	14.4	- 4.6	(.1)	NE	(.04)	NE	14.4	- 4.6	(.1)	NE	(.04)	NE
Intl Dairy Queen	O	42.50	.00	.0	44.00	42.50	50.50	38.00	22	.11	.28	- 60.7	11.7	.00	.0		3 mos.	02-85	27.2	- 2.2	.8	14.3	.38	18.8	27.2	- 2.2	.8	14.3	.38	18.8
Intl King Tab	M	20.50	- .50	- 2.4	20.50	19.00	24.75	12.72	3,043	10.68	3.85	192.6	15.3	.00a	.0	.....	6 mos.	12-84	18.2	4.0	.7	- 12.5	.27	3.8	37.4	5.4	1.8	12.5	.63	12.5
JB's Rest	M	14.75	.50	3.5	14.88	13.88	14.75	7.00	839	2.41	4.61	- 47.7	18.0	.16	1.1	.....	3 mos.	12-84	18.7	41.7	.6	.0	.17	6.3	18.7	41.7	.6	.0	.17	6.3
Jerrico Inc	M	18.13	.00	.0	18.25	17.63	19.50	13.00	2,685	1.71	3.53	- 51.6	13.1	.12	.7	.....	6 mos.	12-84	123.4	9.4	4.1	32.3	.26	30.0	255.3	8.5	10.4	15.6	.66	15.8
Kapok Cp	A	3.00	.13	4.3	3.13	2.75	3.88	1.13	531	2.37	1.02	132.4	4.7	.00	.0	.....	3 mos.	12-84	5.2	15.6	3.9	NE	1.67	NE	5.2	15.6	3.9	NE	1.67	NE
Karcher Carl	M	17.88	- .38	- 2.1	18.00	17.63	26.63	13.50	1,099	1.52	2.52	- 39.7	10.7	.00	.0	.....	6 mos.	07-84	80.7	17.1	3.3	- 2.9	.52	8.3	178.8	19.5	6.9	3.0	1.00	5.3
Kelly-Johnston	M	.50	- .19	- 27.3	0.63	0.44	7.13	.44	5,422	6.36	3.21	98.1	NE	.00	.0	.....	3 mos.	06-84	28.3	155.0	(3.7)	- 100.0	(.44)	- 100.0	28.3	155.0	(3.7)	- 100.0	(.44)	- 100.0
Luby's Cafe	N	27.50	- .50	- 1.8	28.00	27.25	32.00	23.63	822	.68	.38	78.9	18.1	.54	2.0	.....	6 mos.	02-85	45.2	15.0	4.0	11.1	.33	10.0	92.0	19.3	8.3	15.3	.69	15.0
Marcus Corp	M	17.00	.38	2.3	17.25	16.50	17.13	11.88	136	.27	.34	- 20.6	11.0	.28	1.6	.....	9 mos.	02-85	27.2	5.8	.8	100.0	.16	77.8	90.9	4.2	5.6	9.8	1.10	10.0
Marriott Corp	N	85.00	- 1.50	- 1.7	87.75	84.50	87.75	60.00	1,526	.59	.69	- 14.5	17.0	.54	.6		fiscal	12-84	1122.2	18.3	43.8	41.3	1.47	32.4	3524.9	16.1	139.8	21.4	5.01	20.7
Maverick Rest	O	2.50	.00	.0	2.63	2.50	6.25	2.25	122	.25	.29	- 13.8	31.3	.00	.0	.....	fiscal	01-85	2.6	62.5	(.2)	- 100.0	(.05)	- 100.0	10.9	73.0	.4	- 33.3	.08	- 38.5
Max Erma's	O	3.25	- .25	- 7.1	3.75	3.25	5.88	2.50	31	.17	.79	- 78.5	NE	.00	.0	.....	fiscal	10-84	4.4	4.8	(.2)	NE	(.21)	NE	17.6	10.7	(.8)	NE	(.42)	NE
McDonald's Cp	N	60.88	1.00	1.7	61.25	59.25	62.38	40.84	6,240	.73	1.07	- 31.8	13.9	.82	1.3	.....	fiscal	12-84	1019.7	31.5	91.2	14.1	1.02	12.1	3414.8	13.8	389.1	13.6	4.39	14.6
McFaddin Ventures	M	11.25	.00	.0	11.25	11.13	12.25	9.63	556	1.14	.58	96.6	16.5	.00	.0	.....	3 mos.	02-85	13.2	25.7	1.2	50.0	.25	47.1	13.2	25.7	1.2	50.0	.25	47.1
Morrison Inc	M	19.38	- .25	- 1.3	19.63	19.38	19.63	13.25	1,598	1.20	1.75	- 31.4	12.9	.48	2.5		9 mos.	02-85	120.2	6.7	4.5	.0	.32	.0	358.3	6.5	14.4	.7	1.05	2.9
Mr Steak	O	2.75	.00	.0	2.88	2.75	3.13	1.13	464	.97	1.14	- 14.9	NE	.00	.0	.....	3 mos.	12-84	13.9	- 9.2	.1	NC	.02	100.0	13.9	- 9.2	.1	NC	.02	100.0
Nankin Express	O	1.00	- .13	- 11.1	1.25	1.00	2.50	1.00	247	1.10	.81	35.8	NE	.00	.0	.....	fiscal	01-85	.3	200.0	(.3)	NE	(.15)	NE	1.0	66.7	(.9)	NE	(.40)	NE
Nathans	O	3.75	.00	.0	4.00	3.75	4.50	1.78	60	.27	1.08	- 75.0	15.0	.00a	.0	.....	9 mos.	12-84	5.0	11.1	.1	.0	.03	- 57.1	17.2	8.2	.9	28.6	.39	18.2
Natl Pizza	M	9.25	.00	.0	9.50	9.00	9.75	7.50	32	.06	.19	- 68.4	10.3	.00	.0	.....	9 mos.	12-84	9.9	73.7	.8	300.0	.15	1400.0	30.4	25.6	2.8	16.7	.56	24.4
Naugles Inc	M	5.50	- .13	- 2.2	5.75	5.38	10.13	4.75	1,607	3.60	5.82	- 38.1	NE	.00	.0	.....	6 mos.	12-84	27.6	- 3.5	(.1)	- 100.0	(.04)	- 100.0	65.9	4.4	.3	- 84.2	.06	- 85.4
1 Potato 2	O	1.50	.13	9.1	1.75	1.38	12.25	1.25	325	1.48	1.31	13.0	30.0	.00	.0	.....	9 mos.	11-84	3.9	NC	(.5)	NC	(.25)	NC	11.0	NC	(1.5)	NC	(.69)	NC

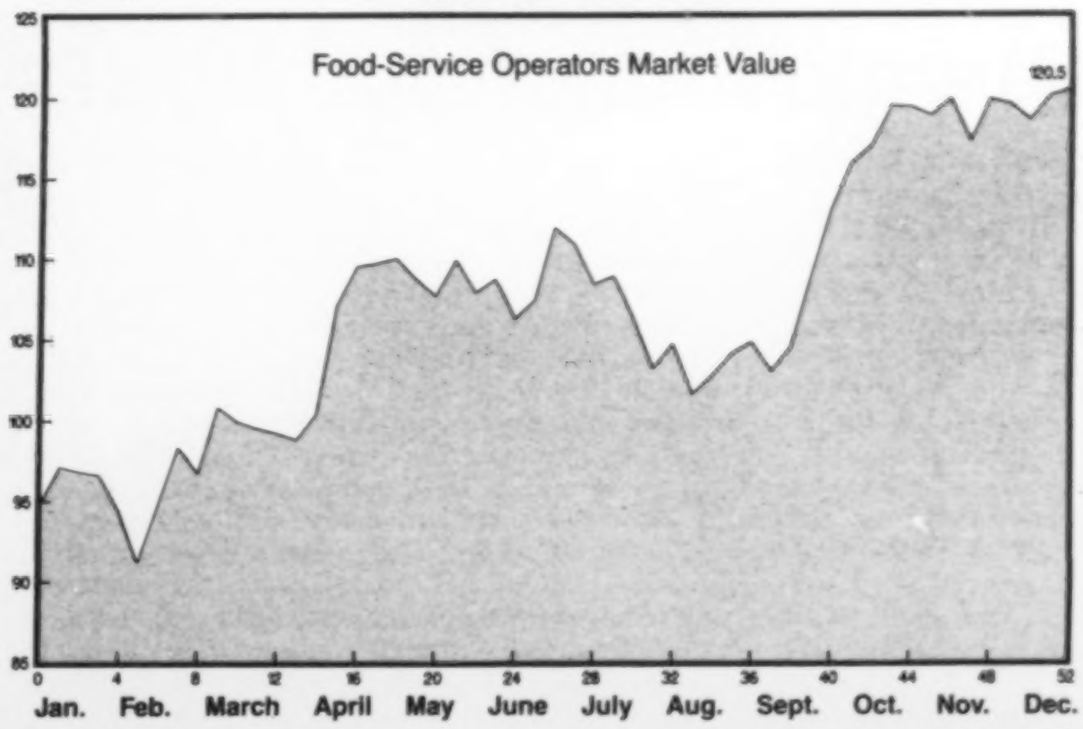
Reporting Period
3 mos. - First quarter of fiscal year
6 mos. - First six months of fiscal year
9 mos. - First nine months of fiscal year
fiscal - Fiscal year
NEW - New report since last issue

General Field Footnotes
NA - Not available or not applicable.
NC - Data required for calculation currently incomplete in our files.
NE - Negative earnings invalidate calculations.
NM - No meaningful figure.
a - Under dividend amount, an 'a' indicates a stock dividend.
b - Indicates cash plus stock dividend when applied to dividend amount column.

Market
N - New York Stock Exchange
A - American Stock Exchange
O - NASDAQ Over-the-Counter
M - NASDAQ National Market

Data and Table Provided by Media General Financial Services, Inc., Richmond, Virginia 23219

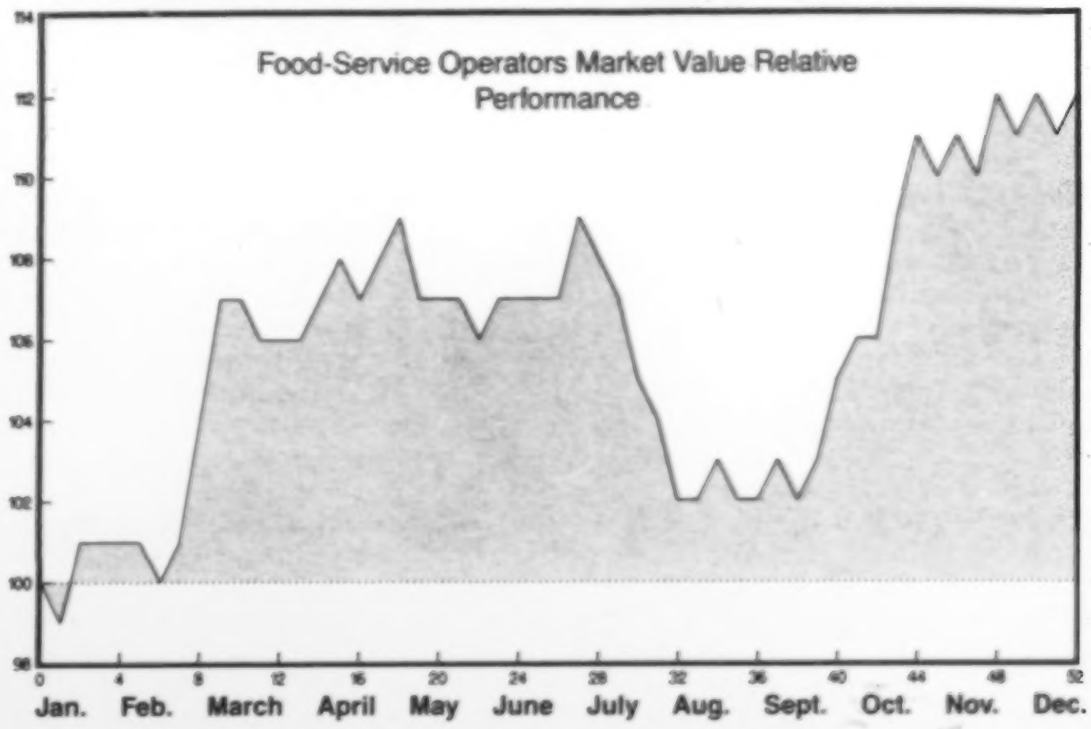
NRN *STOCK INDEX*



Source: Media General Financial Services

Oct. 28, 1983 = 100

NRN *STOCK INDEX VS. DOW JONES INDEX*



Company and Market	Stock Market: Price: 4-19-85 Close	Weekly Change: Amt.	Weekly Change: Pct.	Weekly Range: High	Weekly Range: Low	52-Week Range: High	52-Week Range: Low	Volume: Weekly Shares Traded: Total	Volume: Weekly Shares Traded: % Out	Volume: 12-Week Avg. Vol. As % Out	Volume: Volume Trend Change	Financial Update: P/E Ratio	Indicated Div. Rate: Amt.	Indicated Div. Rate: Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue: Amt.	Latest Quarter: Revenue: Chg.	Latest Quarter: Net Income: Amt.	Latest Quarter: Net Income: Chg.	Latest Quarter: E.P.S.: Amt.	Latest Quarter: E.P.S.: Chg.	Year-to-Date: Revenue: Amt.	Year-to-Date: Revenue: Chg.	Year-to-Date: Net Income: Amt.	Year-to-Date: Net Income: Chg.	Year-to-Date: E.P.S.: Amt.	Year-to-Date: E.P.S.: Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$mil	%	$mil	%	$	%	$mil	%	$mil	%	$	%
Old Fashion Fd M	5.00	.00	.0	5.00	4.50	6.25	4.00	120	.86	.33	160.6	10.6	.00	.0		9 mos.	02-85	3.5	20.7	.2	.0	.10	- 28.6	10.3	30.4	.5	- 16.7	.34	- 22.7
Pancho Mex Buffet M	7.13	.00	.0	7.13	7.00	8.25	5.88	794	2.14	5.70	- 62.5	12.7	.13	1.8	—	3 mos.	12-84	7.9	14.5	.2	.0	.09	12.5	7.9	14.5	.2	.0	.09	12.5
Peoples Rest M	.38	.00	.0	0.44	0.31	2.88	.25	2,114	2.45	6.00	- 59.2	NE	.00	.0	—	6 mos.	12-84	5.5	- 69.6	(17.1)	NE	(1.97)	NE	13.8	- 54.0	(20.4)	- 100.0	(2.36)	- 100.0
Piccadilly Caf M	20.50	- .25	- 1.2	20.63	19.75	24.25	16.50	921	1.52	1.84	- 17.4	11.8	.60	2.9	—	6 mos.	12-84	48.4	8.3	3.0	30.4	.50	28.2	94.8	10.9	5.7	54.1	.95	53.2
Pizza Inn A	8.88	.00	.0	9.88	8.63	12.75	6.88	699	2.30	1.13	103.5	17.1	.08	.9	—	fiscal	12-84	50.0	33.3	(.9)	- 100.0	(.29)	- 100.0	185.6	24.6	1.6	- 55.6	.52	- 54.8
Po-Folks M	10.00	.13	1.3	10.13	9.88	16.63	8.75	377	.85	.89	- 4.5	13.9	.00	.0	—	3 mos.	12-84	30.3	30.0	.6	- 25.0	.15	- 16.7	30.3	30.0	.6	- 25.0	.15	- 16.7
Ponderosa Sys N	12.75	- .38	- 2.9	13.13	12.50	22.88	11.50	574	.60	2.83	- 78.8	7.5	.40	3.1	—	9 mos.	11-84	122.8	33.8	2.3	109.1	.22	69.2	366.8	32.0	11.5	32.2	1.28	18.5
Primo Inc O	2.75	.00	.0	2.88	2.75	4.63	2.38	130	.39	.91	- 57.1	NE	.00	.0	—	fiscal	09-84	.9	.0	(.2)	- 100.0	(.07)	- 100.0	3.8	46.2	(.2)	- 100.0	(.08)	- 100.0
RAX Restaurants M	9.25	- .75	- 7.5	9.75	9.00	16.38	8.00	517	.77	.91	- 15.4	22.6	.00	.0	—	6 mos.	01-85	24.9	18.0	(.6)	- 100.0	(.08)	- 100.0	54.2	22.6	.3	- 85.0	.05	- 84.4
Rest Assoc A	8.13	.13	1.6	8.13	7.75	8.88	5.38	112	.40	.76	- 47.4	14.8	.00	.0	—	fiscal	12-84	34.6	- 2.8	.5	- 44.4	.20	- 47.4	132.4	- 6.2	1.5	- 31.8	.55	- 37.5
Restaurant Sys M	13.75	- .50	- 3.5	14.00	13.25	16.50	9.00	329	1.42	1.31	8.4	15.4	.00	.0	—	fiscal	12-84	8.0	6.7	.5	25.0	.21	23.5	34.7	17.2	2.1	50.0	.89	23.6
Ritzys G D M	2.75	- .25	- 8.3	3.00	2.75	7.25	1.75	270	.52	1.10	- 52.7	NE	.00	.0		fiscal	12-84	3.3	37.5	(2.7)	NC	(.52)	- 100.0	13.9	63.5	(4.3)	NE	(.83)	NE
Rusty Pelican M	16.00	.25	1.6	16.13	15.75	18.25	11.00	163	.58	1.12	- 48.2	21.3	.00	.0	—	6 mos.	01-85	10.9	43.4	.2	- 50.0	.04	- 73.3	21.5	40.5	.5	- 16.7	.18	- 35.7
Ryans Fam Steak M	16.75	.00	.0	16.75	16.25	17.75	11.25	119	.18	1.42	- 87.3	32.8	.00	.0	—	fiscal	12-84	NC	NC	1.0	42.9	.16	45.5	32.0	66.7	3.3	57.1	.51	45.7
Saga Corp N	28.50	- .13	- .4	30.00	28.50	35.50	27.00	1,739	1.33	1.80	- 26.1	11.2	.52	1.8	—	6 mos.	12-84	331.1	8.6	13.7	13.2	1.03	8.4	602.7	11.3	19.4	18.3	1.45	11.5
Sandwich Chef M	7.50	.25	3.4	7.50	7.00	9.00	6.75	83	.66	.88	- 25.0	12.3	.00	.0	—	6 mos.	12-84	7.1	14.5	.1	.0	.11	37.5	14.0	13.8	.3	.0	.27	28.6
Sea Galley M	8.88	- .13	- 1.4	9.00	8.75	11.00	6.50	856	2.35	6.16	- 61.9	4.6	.00	.0	—	fiscal	12-84	17.9	- 1.6	2.4	NE	.59	- 71.5	66.2	- 9.3	7.7	NE	1.94	- 9.8
Shoney's Inc M	29.00	.50	1.8	29.25	28.00	29.00	16.22	1,807	.64	1.66	- 61.4	25.4	.15	.5	—	3 mos.	01-85	150.0	15.8	8.3	27.7	.29	20.8	150.0	15.8	8.3	27.7	.29	20.8
Shoney's South M	14.00	- .25	- 1.8	14.25	13.75	16.59	11.00	62	.11	1.15	- 90.4	11.2	.00	.0	—	fiscal	12-84	41.3	25.2	1.5	50.0	.25	38.9	168.6	19.1	7.3	49.0	1.25	22.5
SIS Cp M	4.25	- .25	- 5.6	5.00	4.00	7.75	3.25	188	1.21	.55	120.0	NE	.00	.0	—	fiscal	12-84	2.3	53.3	(.1)	NC	(.10)	- 100.0	7.9	75.6	(.2)	- 100.0	(.15)	- 100.0
Sizzler Rest Intl M	19.50	.50	2.6	20.25	18.75	20.25	9.50	871	1.26	1.00	26.0	14.0	.00	.0	—	9 mos.	01-85	37.8	12.8	2.0	33.3	.29	26.1	116.9	11.5	7.0	27.3	1.03	27.2
Skippers M	10.50	.00	.0	10.63	10.13	12.50	8.00	408	1.49	1.94	- 23.2	11.3	.06	.6	—	fiscal	12-84	20.8	28.4	.9	50.0	.33	50.0	63.1	26.2	2.5	25.0	.93	14.8
So Hospitality M	5.50	.13	2.3	5.63	5.25	5.88	3.75	2,335	4.68	4.53	3.3	15.7	.00	.0	—	9 mos.	02-85	8.3	- 6.7	.2	.0	.04	.0	29.3	14.5	1.0	25.0	.20	11.1
Swensens Inc O	2.38	.13	5.6	2.50	2.25	3.75	1.88	156	.49	.73	- 32.9	NE	.00	.0		fiscal	12-84	NC	NC	(2.0)	NE	(.48)	NE	11.4	- 16.8	(1.8)	NE	(.43)	NE
Taco Viva M	6.38	- .13	- 1.9	6.75	6.38	7.50	4.66	460	1.34	1.34	.0	18.8	.00	.0		9 mos.	02-85	5.5	- 6.8	.3	- 25.0	.10	- 9.1	17.7	8.6	.9	12.5	.27	12.5
TGI Friday's N	11.50	- .13	- 1.1	12.38	11.50	13.13	7.88	977	.86	.83	3.6	17.7	.00	.0	—	fiscal	12-84	75.6	37.5	3.2	88.2	.17	54.5	285.0	24.2	11.9	14.4	.65	.0
TGIF Texas O	2.25	.00	.0	2.75	2.25	3.75	2.25	2	.01	.13	- 92.3	NE	.00	.0	—	9 mos.	09-84	2.8	27.3	(.1)	NC	(.07)	- 100.0	8.3	25.8	(.3)	NC	(.20)	- 100.0
Transworld N	33.13	.63	1.9	33.63	32.25	37.63	24.50	5,180	1.58	2.38	- 33.6	10.5	.40	1.2	—	fiscal	12-84	522.9	3.0	29.5	NE	.75	- 62.1	2002.0	6.0	115.0	NE	3.14	NE
USACafes M	4.88	- .13	- 2.5	5.00	4.75	5.75	2.75	678	1.08	3.86	- 72.0	12.2	.28	5.7	—	3 mos.	12-84	4.6	43.8	.4	33.3	.07	40.0	4.6	43.8	.4	33.3	.07	40.0
Vicorp Restaurants M	24.88	- .88	- 3.4	25.25	24.63	26.88	13.25	1,477	2.22	4.73	- 53.1	18.8	.12	.5	—	fiscal	10-84	87.9	145.5	2.9	52.6	.45	40.6	242.3	158.3	8.7	81.3	1.32	55.3
Victoria Stations M	4.13	- .25	- 5.7	4.13	3.75	7.38	2.13	1,438	4.05	4.24	- 4.5	NE	.00	.0	—	9 mos.	12-84	27.6	- 8.0	(1.2)	NE	(.35)	NE	73.5	- 5.3	(3.7)	NE	(1.05)	NE
Wendys Intl N	16.63	- .63	- 3.6	17.50	16.38	17.75	10.59	7,409	1.01	1.99	- 49.2	17.7	.21	1.3	—	fiscal	12-84	244.2	24.1	17.6	18.9	.24	20.0	939.1	31.3	69.7	24.5	.94	23.7
Wstn Steer O	9.50	.50	5.6	10.50	9.50	12.00	9.00	51	.42	.46	- 8.7	16.7	.20	2.1	—	9 mos.	11-84	11.2	24.4	.1	- 80.0	.05	- 87.5	31.0	25.5	.5	- 44.4	.38	- 54.2
Winners Cp N	8.38	2.50	42.6	8.75	6.00	13.38	5.13	3,987	8.86	1.65	437.0	22.6	.00	.0	—	fiscal	12-84	28.7	13.9	.3	- 66.7	.07	- 63.2	108.4	22.9	1.6	- 44.8	.37	- 43.1
Hotels, Motels, and Casinos																													
Brock Hotel Cp N	3.00	.25	9.1	3.25	2.75	5.75	2.63	1,230	.93	.86	8.1	NE	.10	3.3	—	9 mos.	09-84	61.0	- 24.8	(24.6)	NE	(1.86)	NE	202.4	- 14.0	(29.5)	NE	(2.24)	NE
Hilton Hotels N	67.13	- .88	- 1.3	68.50	66.00	73.50	45.50	4,159	1.68	2.20	- 23.6	15.5	1.80	2.7	—	fiscal	12-84	181.7	49.2	46.0	NE	1.77	88.3	686.6	12.3	114.0	32.7	4.33	35.3
Holiday Inns N	53.13	- .25	- .5	53.50	51.38	53.88	35.25	16,500	4.72	3.11	51.8	14.8	1.00	1.9	—	fiscal	12-84	430.9	9.6	20.6	33.8	.59	40.5	1759.8	11.0	131.0	5.3	3.59	9.5
Prime Mtr Inn N	27.13	1.13	4.3	28.38	26.25	28.38	13.50	1,035	.54	1.04	- 48.1	26.3	.09	.3	—	6 mos.	12-84	67.8	321.1	5.5	37.5	.28	33.3	115.7	256.0	11.3	31.4	.58	28.9
Ramada Inns N	8.00	.25	3.2	8.00	7.38	8.25	5.13	10,364	2.79	2.38	17.2	61.5	.00	.0	—	fiscal	12-84	152.2	13.4	(2.1)	- 100.0	(.05)	- 100.0	600.2	4.9	4.7	11.9	.13	.0
Servico Inc M	19.50	.25	1.3	19.75	18.50	22.28	13.63	278	.80	.42	90.5	10.8	.00a	.0		fiscal	12-84	42.8	8.4	.1	- 90.9	.00	- 100.0	181.9	20.5	6.3	70.3	1.80	66.7
Sonesta Intl M	24.00	.00	.0	25.50	24.00	27.00	18.00	2	.01	.09	- 88.9	7.0	.40	1.7	—	fiscal	12-84	19.1	6.7	5.9	NE	3.83	NE	81.2	10.6	5.3	211.8	3.42	235.3
Other Companies with Food-Service Operations																													
Allegheny Bev M	20.25	1.63	8.7	21.38	18.50	22.63	13.50	2,920	4.87	3.19	52.7	12.2	.40	2.0	—	9 mos.	09-84	167.3	19.4	2.4	- 25.0	.39	- 25.0	486.1	25.2	7.0	- 5.4	1.12	- 6.7
Ch Full O Nut N	8.75	- .25	- 2.8	9.13	8.25	14.31	7.25	1,231	2.59	1.33	94.7	NM	.48	5.5	—	6 mos.	01-85	30.7	7.0	.2	100.0	.04	33.3	57.2	- 1.7	.3	- 57.1	.07	- 53.3
Disney, Walt N	80.00	.38	.5	80.50	79.00	81.13	45.25	3,367	1.00	1.70	- 41.2	65.6	1.20	1.5	—	3 mos.	12-84	426.5	37.3	32.2	257.8	.95	179.4	426.5	37.3	32.2	257.8	.95	179.4
Esteban Foods O	2.25	.13	5.9	2.50	2.13	3.13	1.13	229	.98	.93	5.4	25.0	.00	.0	—	9 mos.	09-84	3.5	34.6	.0	NC	.02	.0	9.8	25.6	(.1)	- 100.0	(.02)	- 100.0
Gen Mills N	56.13	- .50	- .9	57.50	55.88	60.63	47.75	5,127	1.16	2.06	- 43.7	33.2	2.24	4.0		9 mos.	02-85	354.8	- 73.6	(74.1)	- 100.0	(1.64)	- 100.0	3300.6	- 22.2	35.6	- 81.5	.79	- 80.6
Grace W R N	40.38	- .88	- 2.1	41.63	40.25	44.50	36.50	3,605	.74	.82	- 9.8	10.0	2.80	6.9	—	fiscal	12-84	1830.8	4.4	59.1	13.0	1.22	2.5	6727.8	8.2	195.6	27.0	4.02	26.8
Horn & Hardart A	10.25	- .50	- 4.7	10.88	10.00	18.91	8.63	699	.57	1.33	- 57.1	14.4	.00a	.0	—	fiscal	12-84	97.9	- 2.5	2.9	- 34.1	.22	- 33.3	363.8	7.1	9.5	- 29.6	.71	- 34.9
Ogden Corp N	31.00	- .50	- 1.6	31.50	30.63	31.88	24.13	448	.24	.85	- 71.8	15.1	1.80	5.8	—	fiscal	12-84	524.3	10.8	8.1	- 30.8	.42	- 31.1	2136.7	23.7	39.5	- 24.8	2.05	- 25.2
PepsiCo Inc N	52.13	- 1.25	- 2.3	53.50	51.88	55.25	39.25	9,299	.97	1.90	- 48.9	23.2	1.68	3.2	—	fiscal	12-84	2272.8	- 1.4	(43.1)	- 100.0	(.32)	- 100.0	7898.7	8.5	200.8	- 29.3	2.25	- 25.2
Pillsbury Co N	46.75	- 1.13	- 2.3	48.00	45.88	49.50	34.50	3,261	.75	1.11	- 32.4	10.6	1.56	3.3	—	9 mos.	02-85	1171.2	13.1	39.5	9.1	.91	9.6	3451.2	11.7	144.5	17.4	3.33	17.7
Vie de France M	11.75	- .38	- 3.1	11.88	11.50	15.25	10.50	198	.18	1.00	- 82.0	19.3	.23	2.0	—	6 mos.	12-84	15.5	26.0	1.6	- 33.3	.14	- 41.7	29.7	22.7	3.0	25.0	.27	12.5

Reporting Period

3 mos. - First quarter of fiscal year
6 mos. - First six months of fiscal year
9 mos. - First nine months of fiscal year
fiscal - Fiscal year
NEW - New report since last issue

General Field Footnotes

NA - Not available or not applicable.
NC - Data required for calculation currently incomplete in our files.
NE - Negative earnings invalidate calculations.
NM - No meaningful figure.
a - Under dividend amount, an 'a' indicates a stock dividend.
b - Indicates cash plus stock dividend when applied to dividend amount column.

Market

N - New York Stock Exchange
A - American Stock Exchange
O - NASDAQ Over-the-Counter
M - NASDAQ National Market

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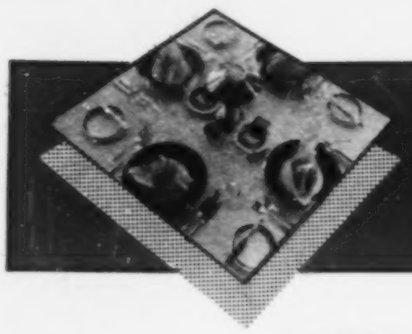

Fine Dining Hall of Fame: NRN profiles the winners
—Focus/F3-20

Old Spaghetti Warehouse opens ninth unit in suburb
—Page 26

Soft-shelled crabs surge in popularity
—Page 13

Nation's
Restaurant News®

The Weekly Newspaper of the Food-Service Industry

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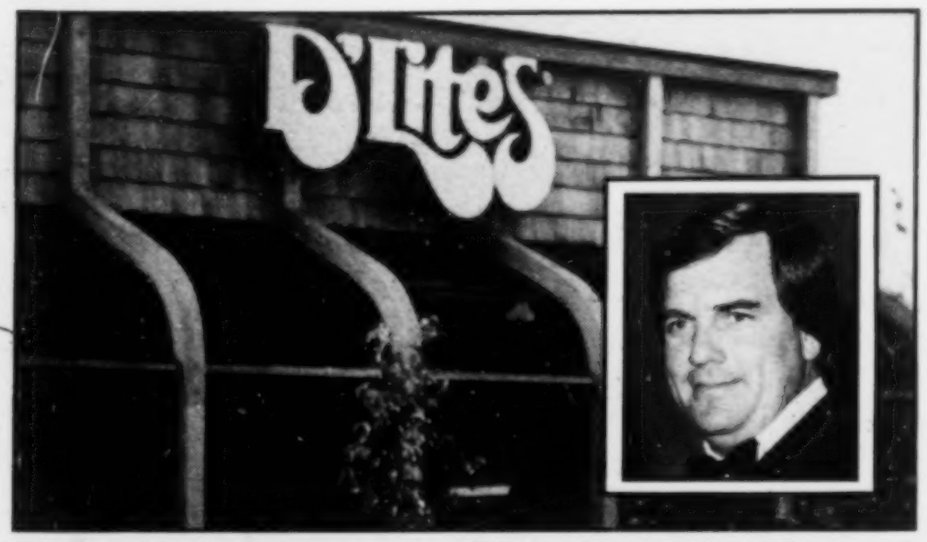


While enjoying strong sales, D'Lites' expansion plans are nevertheless meeting with increased skepticism by industry analysts. Inset: chain founder Douglas Sheley.

Healthy segment ill?

Problems mount in young fast-food niche

By Richard Martin

Trouble and controversy are starting to hound the so-called healthy fast-food segment even before it gets off the ground.

Louisville, Ky.-based Fresher Cooker, the nonfrying, burgerless fast-food chain some describe as a microwave "cafeteria," is mired in financial losses and image problems.

Bill Calhoon, who built the Skinny Haven chain in southern California based on a low-calorie pitch to dieters, is refining his limited-appeal concept after watching annual sales drop by more than 12%, to $15 million, in the last two years.

Skepticism about the expansion plans of 23-unit D'Lites of Atlanta is growing on Wall Street and within the industry. One analyst predicted that it will face stiff competition in coming months from Wendy's, which has started what could be interpreted as a competitively pre-emptive rollout of high-fiber burger buns, plain baked potatoes and expanded bars offering fruit and salad with low-calorie dressings.

*(See **HEALTHY** page 75)*

McD 1st in U.S. to get new Coke

***NRN* Special Report**

McDonald's is expected to be the nation's first restaurant chain to offer the *new* Coca-Cola when the reformulated fountain syrup is rolled out later this month.

Atlanta-based Coca-Cola Co. began shipping the new syrup to all wholesalers on April 23. But because of McDonald's high-volume usage, the burger giant is expected to be the first in the industry to feature the revamped cola.

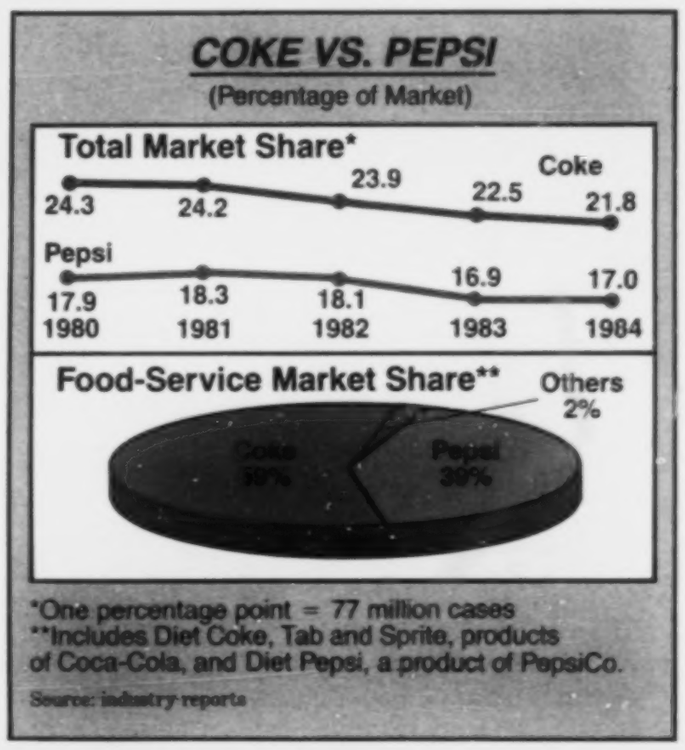
Coke said it would bolster the syrup rollout with point-of-sale advertising designed to inform restaurant customers that "the new Coke is here."

Coke's surprise decision to reformulate its signature brand after 99 years is looked upon with great interest by the food-service industry, but few chain executives said the change would have any effect on customer counts or soft-drink contracts.

Coke, Diet Coke, Tab and other Coca-Cola products account for about 60% of overall fountain sales. Pepsi, Diet Pepsi and other drinks produced by the Purchase, N.Y.-based PepsiCo account for about 40%.

McDonald's is the largest retail user of Coke in the world. Kentucky Fried Chicken, Hardee's, Big Boy, Denny's and Red Lobster also

*(See **COKE**, page 75)*



Bennigan's launches extensive new menu

By Mark Schoifet

DALLAS — S&A Restaurant Corp. is rolling out a new menu at Bennigan's in an attempt to offset a drop in liquor sales at the 179-unit casual-restaurant chain. The colorful new menu contains several new food items and prominently lists six "mocktails"—nonalcoholic cocktails.

At the same time, S&A—a unit of Pillsbury—is moving to reposition its fledgling J. J. Muggs gourmet burger operation, expand a new grilled seafood concept called Bay Street and test some new menu items at its flagship Steak & Ale chain.

New menu items at Bennigan's include croissant sandwiches, mini-pizzas, mini-burgers, a barbecued chicken sandwich and a Cajun-style burger. Mocktails, such as a strawberry piña colada without rum, are listed on the in-

*(See **BENNIGAN'S**, page 12)*

Portion of Bennigan's menu listing croissant offerings.

INSIDE NRN

UNTAPPED OCEAN
Operators report seafood segment is wide open 17

LOCAL HEROS
State lobbyists help defeat smoking, dramshop bills . . 62

INDEX

Classified	65-72	Food Trends	13
Commodities	4	Opinion	9, 11
Financial News	76-78	People	61

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Ruby's: New menus fortnightly

N.Y. café attracts patrons with regional specialties

By Marilyn Alva

NEW YORK — Every two weeks Miss Ruby's Café presents another opening, another show. Last November the restaurant in the Chelsea section of Manhattan opened with a "Cross Country Sampler" followed by a production from the South called "Creole & Cajun," which in turn gave way to a medley from New Mexico. An early hit was an offering from the Midwest.

When one considers that astute New Yorkers are now thinking of restaurants as the new nightclubs of the 1980's, it follows as no surprise that a restaurant such as Miss Ruby's Café changes acts frequently enough to keep the interest of a fickle audience.

Ruth Bronz (center), owner and chief chef of Miss Ruby's Café, located in the Chelsea section of Manhattan.

What Ruth Bronz, the leading lady of this restaurant, does every two weeks is to produce an entirely new menu, revolving around a different American regional cuisine, using the same cast of characters—a talented pastry chef, a determined maitre d', the same bright-eyed waiters and four young assistant chefs

*(See **RUBY'S**, page 14)*

Days Inns mulls selling restaurant holdings

ATLANTA — Days Inns of America said it would soon decide on a property-by-property basis whether to retain, sell or enlist outside management for its 239 restaurants.

"We have some big plans for our restaurants. We should be making an announcement soon," said a spokesman for the nation's largest economy motel chain.

The restaurants include 185 Tastyworld and 41 Daybreak coffee shops, 3 cafeterias and 10 specialty dinnerhouses. All are located in or adjacent to Days Inns or Days Lodges, an early version of the all-suites lodging concept.

Days noted in a recent proxy that, "while restaurant service continues to be an attractive amenity for guests at some locations, the costs associated with the service continue to escalate."

Days said at the time that it would explore alternate means of providing that service "where applicable."

It also indicated that it would serve liquor in downtown and airport motels, breaking late founder Cecil Day's rule that no Days Inn would ever serve alcoholic beverages.

Day, along with several of the chain's first franchisees, was a staunch Southern Baptist.

The changes in food-service operations are part of a plan by Days' new owner, Reliance Capital Group, to sell off the chain's properties while maintaining management contracts for the motels.

The program calls for Reliance to sell 118 of the 127 motels owned by Days Inns at the time Cecil Day's family sold the chain to Reliance for about $618 million. The sale was completed in late 1984.

Twenty Days Inns were recently sold for $98 million to a partnership formed by Integrated Resources Inc. of New York.

Reliance has also indicated that it will accelerate expansion of the chain by franchising more properties. Days added only three franchises in 1984. Reliance expects to add 95 by the end of 1985.

With that addition, Days Inns will consist of 9 company-owned motels, 43 properties managed by Days and 288 franchises, for a total of 340 motels.

Several lodging and food-service executives identified Reliance as one of the bidders for Howard Johnson Co. Days has little representation in New England, where Howard Johnson has a high concentration of motels. The executives said that Reliance has since dropped out of the bidding.

Days Inns reported a net income of $13 million for the fiscal year ended Sept. 30, 1984.

Reliance is owned in large part by Wall Street financier Saul Steinberg.

Golden Nugget shifts Hilton takeover battle to court

By Peter Romeo

LAS VEGAS, Nev. — Golden Nugget has shifted its struggle to acquire Hilton Hotels Corp. into Federal Court, seeking an injunction that would in effect prevent Hilton from adopting antitakeover measures at its May 6 stockholders meeting.

Golden Nugget filed a lawsuit charging that Hilton and several of its executives in an April 5 proxy had misled shareholders about the purpose of the "shark-repellent" measures.

Golden Nugget asked in the suit that Hilton be enjoined from further solicitation of proxies and ordered to invalidate the proxies already in circulation.

"We don't believe that these hastily proposed amendments regarding important stockholders' rights should be presented to stockholders without a full and fair explanation of their effect and impact," said Golden Nugget chairman Stephen A. Wynn.

The lawsuit also seeks to prevent Hilton chairman Barron Hilton from voting the 6.8 million shares held by the estate of his late father, Conrad Hilton. Estate executor James E. Bates granted Barron Hilton the voting rights to the 25.4% of total shares outstanding.

The Atlantic City Hilton Hotel-Casino.

As was previously reported, Golden Nugget made a $72-a-share bid for the estate's stock. After Bates rebuffed the $488 million offer, calling it "inadequate," Wynn indicated that Golden Nugget was willing to raise its bid.

With the estate's shares, Barron Hilton would have the voting rights to 31% of Hilton's total shares.

Barron Hilton and Bates were individually named as defendants in the lawsuit.

The 35-page suit also accuses Hilton of acting improperly in not disclosing certain information to the New Jersey Casino Control Commission during the chain's bid for an Atlantic City gaming permit.

On April 23 Hilton disclosed that senior vice president and general counsel E. Timothy Applegate had resigned from the chain and that senior vice president of industrial relations John E. Cullerton had retired.

The Casino Control Commission had criticized Applegate and Cullerton for hiring and retaining the services of alleged mob adviser Sidney Korshak.

The commission also criticized Hilton executive vice president Henri Lewin for allegedly meeting with labor union officials. Hilton indicated that it had not asked Lewin, a close personal friend of Barron Hilton, to resign.

The antitakeover proposals that shareholders will vote on at the May 6 meeting in Beverly Hills, Calif., include a staggered term for directors, a 75% "super marjority" approval of mergers and board changes and a "poison pill" provision permitting Hilton to issue additional stock shares.

Representatives of Golden Nugget are expected to attend the meeting. The gaming company purchased about 100,000 Hilton shares before making its $488 million bid for the 25.4% stake in the hotel chain.

A spokesman for Hilton declined to comment on the lawsuit.

COMMODITIES

Strength of U.S. dollar may delay price increases

***NRN* Special Report**

The continued strength of the U.S. dollar in relation to other currencies may hold off predicted meat price increases until much later this year. Although in late 1984 agricultural economists had forecast sharp rises (as much as 9% for beef) for the first quarter of this year, the price of both beef and pork have actually fallen from 1984 levels, beef down 2% and pork down 3.5% from last year's fall lows, and down 15.6% and 17%, respectively, from the same period last year.

The market for red meat has felt three strong influences. One has been the relatively long-term strength of the dollar. Foreign producers, particularly those of hogs and pork products, have been able to gear up to taking advantage of U.S. sales without abandoning other world customers.

The second influence has been a shift in world trade patterns. Denmark has taken away much of Canada's hog sales to Japan. As a result, Canada turned to the U.S. to get rid of its surplus hog production. Importation of Canadian hogs has tripled over the past year. At the same time, Danish hams were flooding the Canadian market, and Canada erected import barriers. The Danes then diverted those hams to the U.S. market. Imports of Danish canned ham have nearly doubled in comparison with last year's figures. Meanwhile, because a strong dollar makes U.S. goods higher priced in foreign markets, our exports of meat and meat products have been cut in half.

Even import barriers have been ineffective against Canadian hogs and pork. U.S. farmers convinced the Government to impose a $0.039 a pound "impound" on Canadian hogs, while deciding whether to establish an import duty. Canadian producers, with large surpluses of hogs and with the differential between currencies so great, have not been fazed.

The third influence has been the increased slaughtering of both cattle and hogs by American producers. Many have been trimming herds back, both because of lower prices and because of drought in major producing areas. Pork producers have been especially hard hit. Even with the price of feed grains down, most place their break-even point at $0.50-$0.54 a pound from the slaughterhouse. For the past two months, those prices have sagged to about $0.40-$0.44 a pound, which means farmers take a 20% loss on each hog delivered to market.

All those factors have held the prices of both beef and pork down. Each quarter, agricultural economists forecast higher prices ahead, but as long as these factors exist, there will be a lid upon how high they can go.

Lamb and mutton imports have hit a five-year high, but domestic production is down and prices have remained high, especially those for lamb. U.S. production has been reduced because of poor grazing owing to drought for the past three years in some major producing areas and because of animal losses during last winter's severe storms.

Broilers, on the other hand, despite increased production (up 5% to 6% from last year's), low feed costs and low competitive meat prices, have been rising in price since early April from lows hit in the last half of March. Observers feel the higher prices will hold for the rest of spring.

Seafood prices have been fairly stable for the past several months. With improved weather off Newfoundland, trawlers are expected to increase cod and flounder catches, dropping the prices of those fish. Even with the long hiatus last winter in imports of Canadian blocks and slabs, prices did not run away. Processors of portions had stockpiled large inventories before the Newfoundland trawlermen's strike and were able to ride out the period without panic.

PRICE MOVEMENT AT A GLANCE

Cash Prices	April 22, 1984	March 22, 1985	April 22, 1985
Asparagus, No. 1, loose Jumbo, Calif. (33# carton)	$21.00-$22.00	$31.00-$32.00	$16.00-$18.00
Beans, Pinto, dry, Colo. (cwt.)	$22.00	$19.00	$21.50-$23.00
Beef, Choice, 700-900 lb., Midwest (lb.)	$ 1.02	$ 0.88	$ 0.88
Broccoli, No. 1, Calif. (14s)	$ 4.00	$ 9.00-$10.00	$ 4.00
Broilers, Grade A dressed, icepack, N.Y.C. (lb.)	$ 0.5293	$ 0.4821	$ 0.4819
Coffee, green beans, Brazilian, New York port (lb.)	$ 1.48	$ 1.40	$ 1.37
Eggs, Grade A, large white, Chicago (doz.)	$ 1.06	$ 0.62-$ 0.65	$ 0.53-$ 0.56
Lettuce, iceberg, No. 1, Calif. (24s)	$ 3.00	$ 3.00	$ 3.00-$ 3.50
Pepper, black, Indonesia (lb.)	$ 0.97	$ 1.50	$ 1.77
Pork loins, No. 1, 14-17 lb., Midwest (lb.)	$ 0.93	$ 0.815	$ 0.785

Source: NRN *Research*

Survey: Trends In Design

Independent restaurateurs note a trend toward simpler decors; customers give priority to food and service.

How important is decor to the financial success of an independent restaurant? Significantly so, operators say. Yet they caution that good looks alone won't woo customers back a second time. In fact, restaurant owners feel that consumers evaluate a restaurant first by the quality of food and secondly by the quality of service. Decor is ranked third in consumer importance, and is considered to be only slightly more important than price.

These are some of the findings of a new *Nation's Restaurant News* survey. The study, in which 50 operators of restaurants across the country were interviewed on a variety of design and decor-related issues, also shows a strong current trend toward simpler, lighter decors in which natural materials, neutral colors and natural light are emphasized.

Judging by the survey, independent restaurants undergo a periodic facelift to keep them fresh and appealing. One-half of the respondents said they made changes in their restaurant decor in the past two years, although none of the changes was considered an attempt at changing the restaurant's atmosphere. Similarly, very few restaurateurs indicated any plans to change the look or atmosphere of their establishment in the coming 12 months.

When they do fix up their restaurants, operators are most likely to install new carpets, add or change lighting fixtures, and reupholster chairs and banquettes. In some cases, interior remodeling is done to increase seating areas or to take advantage of new sales opportunities. For example, one operator said he added a private dining room that holds 14 customers, and put in a new wine cellar where customers can pick their own bottle. The cellar holds 8,000 bottles and has 600 bins, and is divided into two rooms—one for white wine and one for red wine, and each with its own temperature setting.

Another restaurant's owners indicated they had taken advantage of the increasing popularity of "grazing"—customers ordering small amounts of food or dessert outside the regular meal periods—by building a new lounge area partly for that purpose.

If some of the respondents said they will redo their restaurants' interiors in the near future, the way those restaurants have been designed or decorated might pose problems, however. Nearly 40% of all restaurateurs surveyed said they don't have the flexibility of design to respond to a change in customer tastes or operational needs. The 60% who said they do most often mentioned adequate back-of-the-house systems, different seating areas and levels, adjustable lighting and easily movable seating as reasons for that flexibility.

One operator suggested he can give his restaurant a different look any time he feels like it by presenting a "revolving" art show. "In the winter we might show Persian rugs to show a warm atmosphere; in the summer we might show pastels to lighten up the atmosphere," he said.

Some restaurants might be following ever-changing fads, but decor doesn't seem to change all that frequently; more than 4 out of 10 independent restaurateurs feel the life span of today's restaurant interior designs is about the same as it was in the past, with about an equal number believing that it's shorter. And 16% think today's life spans are longer.

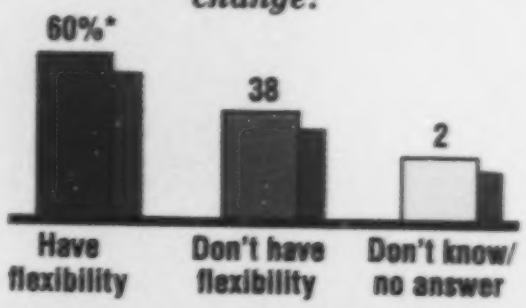
The survey also had some good news for professional designers: 60% of the respondents said interior designers are needed to get the desired "look." On the other hand, 38% said they can do without designers.

The majority of restaurateurs also agreed with the notion that demographics—such as the increase in the number of working women, more singles, and an older population—rather than a restaurant owner's personal taste, should influence the selection of interior design and decor.

Decor: how important to restaurateurs?

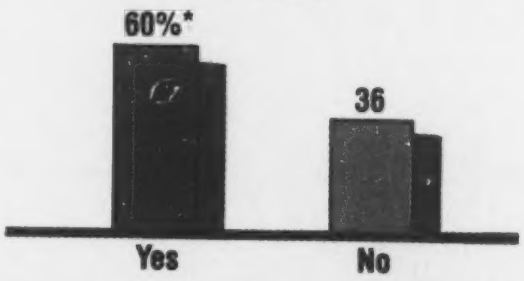
***% of restaurateurs commenting on the importance of decor to a restaurant's financial success.**

Interior design: flexible for change?



***% of respondents commenting on whether their restaurant's interior design is flexible to respond to changing consumer tastes or changing operational needs.**

Professional designers: How needed?



***% of respondents commenting on whether professional interior designers are needed to get the desired "look."**

Source: NRN *Restaurant Interiors Study*

Healthy segment softens

(Continued from page 1)

General Mills has thrown in the towel on the Good Earth health-food concept it bought five years ago. It has put the chain up for sale.

Skinny Haven's Calhoon, who has cut back the size of his diet-and-health chain to 23 from 27, said he is convinced that the market for such restaurants is limited. "If you're targeting the masses," he said, citing Good Earth and D'Lites, "you could get into trouble."

THERE ARE indications, however, that interest in "better-for-you" fast foods is growing at major chains looking for menu alternatives. Wendy's flirtation with "healthy" food items has blossomed into a rollout commitment for some items and expanded testing of low-calorie salad plates.

Nutrition-minded chefs in Kentucky Fried Chicken's test kitchens say they are "cooking like maniacs" in search of the "ultimate" nonfried chicken product to augment the Colonel's menu. Jack-in-the-Box, Taco Bell, Burger King and other mainstream fast-feeders have added salads and salad bars.

Multiconcept Saga Corp. hired more than 600 dietitians in a three-year program of companywide recipe revisions that were aimed at quantifying nutrition values and purging additives. Saga, however, refuses to add the nonfried chicken items it has tested to the menus of its Grandy's fast-food chicken chain, saying consumer demand is insufficient.

And McDonald's, whose two most recent new product hits were deep-fried Chicken McNuggets and calorie-packed biscuit sandwiches, canceled a test of a "Lite Mac" burger and has ignored the move to salads except in a handful of units.

THE 22-UNIT Fresher Cooker sustained a net loss of nearly $1 million last year, and revenue declined 4%. And though the chain claims to be "new, fresh and light," some patrons are put off by such menu incongruities as hot-dogs, canned soups and a saturated-fat-based artificial sour cream topping for fresh-steamed vegetables.

Although Fresher Cooker principals point proudly at the 225-unit franchise "commitment" of KFC Corp., officials of KFC parent R. J. Reynolds Industries said they have no immediate plans to exercise their options beyond two franchised stores in Florida that they are "still evaluating."

However, ex-KFC executives John Y. Brown and Ed Chambers, formerly KFC's chairman and president, respectively, are among 46 franchisees lined up by the fast-growing D'Lites of America chain, based in Norcross, Ga.

A "nutritionally differentiated" menu anchored by a low-fat burger on a high-fiber bun makes 62-unit D'Lites a viable alternative to the Big Three burger chains, according to founder and chairman Douglas Sheley.

Intending to expand its 15-state chain to the West Coast through franchises this year (John Y. Brown has San Diego and Los Angeles), D'Lites currently has 23 units under construction and 42 approved sites waiting in the wings.

Analysts have been impressed with D'Lites because of its initial rapid growth and its plausible, burger-segment competition strategy.

But when industry watchers hear of Sheley's plan to have more than 1,000 D'Lites units open within 10 years, they become skeptical and question the true extent of potential market demand.

Coke, Pepsi in share war

(Continued from page 1)

sell it. Burger King switched to Pepsi in 1983 amid much publicity and now sells it exclusively. Wendy's sells Pepsi in all company units and in about 70% of its franchises. Pizza Hut, which is owned by PepsiCo, sells only Pepsi.

In a survey of 62,146 food-service outlets by *Beverage Digest*—a newsletter that scooped the industry by reporting on the reformulation days before the top-secret plan was announced—Coke was dominant in 32,061 outlets, Pepsi in 10,050, and the two industry giants shared the balance.

"Because of our distribution, the public will be able to taste it quicker at McDonald's on a national basis than anywhere else," said McDonald's spokesman Richard Starmann.

Contrary to one published report, Starmann said, top McDonald's executives were informed of the reformulation in advance and had tasted it.

BILLIE BROWN, spokesman for Kentucky Fried Chicken, said the revamped Coke would have no effect at KFC. John Merritt at Hardee's said: "It's too early to tell. I haven't even tried it yet."

Wendy's Linda Packer said the No. 3 burger chain had no plans to switch to Coke.

"We're confronted with people in the industry who reformulate products every day," Packer said. "We're happy with Pepsi."

Coke's announcement on April 23 that it was changing the flavor of the world's most popular soda is seen as a response to declining market share as well as a counterattack on Pepsi, which has been waging an aggressive advertising campaign. Recent spots featuring pop stars Michael Jackson and Lionel Ritchie are tied to the company's current ad theme: "Pepsi. The Choice of a New Generation."

Pepsi has been chipping away at Coke's lead since it began the "Pepsi Challenge" commercials in the 1970's.

PepsiCo treated Coke's decision as a marketing victory. On April 26 the company gave its 800 employees a holiday so that they could celebrate. In a full-page ad in *The New York Times* the day of Coke's press conference, Pepsi said, "After 87 years of going eyeball to eyeball, the other guy just blinked."

Magic Pan expands menu

(Continued from page 3)

peal through menu revisions and decor changes because of the waning popularity of crepes and because of the notion that the original creperie concept was attractive only to women.

Asked what the future held for the creperie-dinnerhouse concept, Friedrich replied, "I wouldn't say that the major growth of Magic Pan will come from that concept."

The company's major movement will involve the Laredo's and Frogg Lane themes, he said, adding that "acquisitions" could also play a major role in the company's expansion.

Surveys taken after the new "Taste the Magic at Magic Pan" spots aired in April showed that the commercials increased customer counts in the markets where they ran, Friedrich said. He admitted it was too early to tell just how much traffic was up and whether the commercials would result in any long-term gains.

The new commercials underscore the chain's efforts to play down its creperie roots. They make little, if any, mention of crepes, instead emphasizing foods with a heartier perception, such as steak and chicken. Magic Pan's past emphasis on crepes led one writer to label the chain "wimp haven."

Menu changes center on the addition of four appetizers, including escargots in mushrooms and chilled prawns, a seafood salad, a seafood club sandwich, prawn sauté, chicken breast Algerian, fusilli with four cheeses and tortellini Bolognese.

In the new menu crepe dishes still outnumber other types 18 to 14 at lunch and 18 to 16 at dinner. The dinner menu includes a couple of dishes not available at lunch, such as steak Diane, and its entrées are priced about $1.50 higher than their lunch counterparts.

Since being named president by the Patels in February 1984, Friedrich has overseen the trimming of the chain from 75 units to 65, with a "handful to go," the hiring of a new advertising agency and marketing director, the menu revisions, decor upgrades and the planning for expansion.

Friedrich said he moved last year to halt the advertising campaign put in place before he was hired because it overemphasized discounting rather than stressing the "quality image" the chain wanted to project. Another concern, he said, was that media buys were not getting the company the "biggest bang for its buck."

Narsai's closing June 1

(Continued from page 3)

into the *NRN* Fine Dining Hall of Fame. "People come here because of an ambience and a menu style they've grown accustomed to," he said at the time.

However, Narsai's customer base was increasingly distracted by trendy and sometimes innovative new restaurants that cropped up in the East Bay in recent years. Many of them were launched by disciples of Alice Waters' Berkeley restaurant, Chez Panisse, which is considered a watershed operation in the California cuisine "movement."

Narsai's will end its history with a June 1 party featuring a number of the restaurant's elaborate signature dishes and other ethnic specials from old menus. David intends to sell or rent the premises, but he will preserve its distinctive wrought-iron sculptures and the redwood artifacts that were fashioned from planks of a reclaimed 200,000-gal. water tank and formed part of the restaurant's interior walls.

General manager Link has ideas about the future value of David's extensive collection of wines—some 60,000 bottles comprising 1,500 different labels. "I just can't imagine Narsai being out of the restaurant business for too many years," Link said.

David will now focus his resources on expansion of the Narsai's line of preserves, mustards, chutneys and other products. The business had been growing at a double-digit rate in recent years despite relative inattention. Generating less than $1 million in sales this year, the line is projected to double or triple in volume

Fuddruckers' challenge

(Continued from page 3)

and operations posts with Michael Kelly (marketing vice president) and John Butorac (senior operations vice president), asserted that so-called big names in the management and franchisee ranks of Flakey Jake's have provided no advantage.

In fact, Baumhauer pointed out, despite "terrible marketing so far," Fuddruckers has been outdueling Flakey Jake's in both market penetration and profitability.

For the first quarter, ended March 31, Fuddruckers posted a net profit of $120,000 on revenues of $10.1 million, compared with a net loss of $200,000 on revenue of $4.3 million in last year's initial quarter.

Flakey Jake's, on the other hand, is yet to turn a profit and is expected to continue losing money at least through the third quarter of 1985, according to chief financial officer Jay Fitzsimmons.

As for charges that Fuddruckers' menu is too heavily dominated by male-oriented ½-lb. hamburgers, the chain has begun moving curiously close to the broader-menu approach adopted by Flakey Jake's.

The recent addition of a smaller 1/3-lb. hamburger and a grilled chicken breast sandwich, for example, now provides at least some lower-ticket items with appeal to women and children.

In the Minneapolis market, where Michael Platt's Discus Corp. holds the Fuddruckers franchise rights, those products have accounted for nearly 50% of sales since they were rolled out late last year.

While stressing that Fuddruckers is determined to stay in "a hamburger niche," Baumhauer indicated that further menu expansion is not too far down the road. Some new products, which will open the way for more patronage by women and children, are already in the works.

Some form of salad—"definitely not a salad bar"—will be tested within the next month, Baumhauer said, and could be rolled out systemwide within three months.

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